

Michael F. Easley
Governor



State of North Carolina
Office of the Governor

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STATE RESERVES DEPLETED

RALEIGH -- Gov. Mike Easley today released information showing the depletion of the state's cash reserves over the past six years. The attached chart provides a detailed cash analysis of the general fund from 1996 through the current year.

"By July of last year, the state had depleted all of its cash reserves. During the current fiscal year, our cash balance has dipped into the red ten times," said Easley. "There are no hidden pots of money for us to tap."

"The bond rating agencies are going to be looking closely to see if we replenish these reserves," said Easley. "Any decrease will cost the state hundreds of millions of dollars in additional interest payments. This will not only impact our state payments but also the payments made by our local governments."

The attached analysis was prepared by the State Budget Office.

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